

The report of the Committee will be submitted to the Government of Maharashtra.

National Transmission Power Grid

1268. SHRI PREM CHAND GUPTA: Will the Minister of POWER be pleased to state:

- (a) whether Government is planning to form a National Transmission Power Grid to serve the entire country at a cost of Rs. 80,000.00 crores;
- (b) whether the help of multinationals will be sought for forming the project; and
- (c) if so, what are the details of the plan and the expected date of completion?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (c) Development of transmission system to form National Power Grid is a continuous process. At present, Indian Power system is divided into five Regional grids and within each region strong inter-connection and well developed Regional grids are in position. In order to extend the benefit of generation resources all over the country and to transfer surplus power across regions, interconnections have been planned to be implemented by Power Grid. Power Grid have planned to invest about Rs. 80,000 crores for implementation of projects including those required for development of strong and vibrant National Grid capable of transferring 30,000 MW power by the year 2012.

Out of the total investment of Rs. 80,000 crores, Power Grid has planned to undertake a direct investment programme of around Rs. 49,000 crores and the remaining Rs. 31,000 crores is proposed to be mobilized from private sector through formation of Joint Venture (JVs) with private entities and also through Independent Power Transmission Companies (IPTCs) which shall be selected through International Competitive Bidding (ICB).

In order to meeting the massive investment plan, Power Grid has been raising loans from the market and international financial institutions like Asian Development Bank (ADB) and World Bank from time to time. ADB has recently approved a direct loan of US\$ 250 million to Power Grid for grid strengthening, interregional and generation linked transmission projects. The loan has become effective from 10th January, 2001. Power Grid is also negotiating a loan of

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RAJYA SABHA

US\$ 450 million from World Bank for implementation of its various transmission schemes.

Dabhol Power Project of Enron

1269. SHRI K. RAHMAN KHAN:

SHRI PREM CHAND GUPTA:

SHRIC.O.POULOSE:

SHRI J. CHITHARANJAN:

SHRI GAYA SINGH:

SHRIDIPANKAR MUKHERJEE:

Will the Minister of POWER be pleased to state:

(a) whether Central Government have any liability in Dabhol Power Project of Enron;

(b) if so, the details thereof;

(c) whether Maharashtra Government have requested the Central Government to takeover the project and convert it into a mega power project for distribution of power to States through National Grid; and

(d) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTIMEHTA): (a) and (b) The Power Purchase Agreement (PPA) for purchase of Electricity from the Dabhol Power Project of M/s. Dabhol Power Company (DPC) (a company promoted by Enron) has been signed between the Maharashtra State Electricity Board (MSEB) and DPC. Any payments due to DPC as per the PPA is to be made by MSEB. The Government of Maharashtra have given a guarantee to cover payments due from MSEB to DPC under the PPA. The Government of India (GOI) has also given a guarantee to DPC for making payments to DPC in respect of capacity and energy payments as well as payments upon termination, in respect of Phase-I of the Dabhol project (740 MW) if the MSEB as well as GOM as the primary guarantor fail to pay such due sums to the Company. The liability of Government of India is limited to Rs. 1500 crores (subject to suitable adjustments on account of inflation etc.) in a financial year towards payment of capacity and energy payment, and aggregate of all principal outstanding under the financial agreement (maximum commitment is limited to US\$ 300 million, given by the shareholders in the company to subscribe for share to the Lenders under the Financing Agreements) as termination charges. Through a Tripartite Agreement signed between GOI,